

**Informal Congressional Hearing
CN's Proposed Acquisition of the Elgin, Joliet and Eastern rail line
Talking Points
August 5, 2008**

Introduction. Thank you, Representatives Bean, Biggert, Foster, Manzullo and Roskam for hosting this hearing and allowing me to testify. I am Randy Blankenhorn, Executive Director of the Chicago Metropolitan Agency for Planning, an agency created by the General Assembly nearly three years ago to address transportation, land use and other comprehensive planning issues from a regional perspective. We are reviewing the acquisition of the Elgin, Joliet and Eastern Railway by the Canadian National from a regional perspective.

The movement of goods through the Chicago region is a major economic, transportation and quality of life issue. As the nation's rail hub, we must find ways to move goods into and through our region more efficiently. While there are significant economic advantages to our transportation role, they lead to significant impacts, both positive and negative, to many of our communities. That balance is what is at play here. What are the transportation and economic benefits of the acquisition of the EJ&E relative to the impacts on our local communities?

We were supportive of the STB's decision to require a full Environmental Impact Statement (EIS) regarding the impacts of CN's proposed physical and operational changes. And although we have not had time to conduct a thorough review of the entire document, we feel that it falls short in addressing many of the concerns that we outlined in our comments on the EIS scope. Notably, these include the time horizon of the study, the range of considered alternatives, the capacity constraint analysis, and the lack of required mitigation measures.

The STB process. Our main purpose is to ensure that the STB's EIS process meets the needs of our region, which includes the seven counties of Cook, DuPage, Kane, Kendall, Lake, McHenry, and Will -- five of which are intersected by the EJ&E line, and all of which will be affected by the proposed acquisition.

Unfortunately, I am left to reiterate what CMAP stated prior to when the draft EIS was issued: We simply do not have enough information yet to determine whether this acquisition is in the region's best interest. While CMAP fully understands the scope and constraints of the EIS process, this document brings us only marginally closer to determining whether the proposed acquisition is in the region's interests. The EIS lacks a thorough cost-benefit analysis that is necessary to reach such a conclusion. And yet, the STB's EIS is the only mechanism available for conducting that type of detailed review. The STB will ultimately decide whether to approve the acquisition. But based on the EIS, it seems unlikely that the STB's decision will be based on the region's interest, since that criterion is missing from the EIS analysis. The regional benefits should not be just incidental -- in CMAP's view, they should be paramount. If the overall costs and benefits are beyond the STB's EIS scope, then at what point will the region truly have enough information to determine how the regional transportation benefits weigh against regional and local community impacts? Only when those factors are fully understood can there be a serious discussion about mitigation.

Important factors to study. Careful, long-term planning -- exactly what CMAP is charged to do for northeastern Illinois -- is the way to achieve these results. Collectively, we need to provide local officials and concerned parties with the best available information so they can make informed choices in responding to the EJ&E acquisition. This is especially critical due to the lack of specified mitigation measures included in the draft EIS and the Board's statement encouraging negotiations between the CN and the potentially affected communities to reach mutually acceptable solutions. That type of deal brokering can easily pit one community against its neighbors and yield results that are contrary to effective regional planning. Therefore, it is a bit disconcerting that the STB did not use our region's existing information-sharing mechanisms to ensure an outcome that is in the overall public interest.

- **The overall transportation system.** It is commonly believed that the nation and metropolitan Chicago will see a significant increase in freight traffic over the next twenty years. However, there is no analysis that takes into account, in any significant way, those projected increases in rail freight in this region. CMAP's review must carefully balance anticipated transportation benefits along with impacts at the community level. Interactions between the region's freight, passenger rail, and highway systems are a major concern that impacts our quality of life and economic prosperity.
- **Time horizon.** In our opinion, it is impossible to properly analyze the impacts of this acquisition if we are only looking three to five years beyond the date of STB approval. We requested that the STB's time horizon needed to be extended to at least 10 years after the Board acts. However, the STB's Section of Environmental Analysis (SEA) concluded that the CN's operating plan reasonably predicted the likely future rail traffic growth through the year 2015, under the assumption that the number of trains using the EJ&E rail line would not exceed CN's estimated operating plan. This assumption seems to contradict every industry forecast of rail activity over the next decade. The EIS analysis is not nearly robust enough for us to accept as credible its assertions about EJ&E traffic. There is also no analysis of how service levels might be expanded on existing CN subdivisions that will see train traffic decreases, given additional pressures to move freight through the region.
- **Amtrak, STAR line, SouthEast Service and other mass transit impacts.** The draft EIS concluded that the acquisition would not have an adverse impact on existing Amtrak service. Additionally, it concluded that it would not preclude implementation of the STAR line or Southeast service, nor would it affect existing Metra passenger rail service. Again, this conclusion seems to run counter to an earlier conclusion that the operating plan will reach capacity on the line, therefore we would like to see further analysis and evidence that there will be no impacts.
- **CREATE impacts.** CMAP has been among the most-vocal advocates of CREATE, the public-private partnership to reduce freight congestion in northeastern Illinois. Our region's status as a major international freight hub is threatened by rail freight congestion. While the proposed EJ&E acquisition appears to be consistent with CREATE's goals, this EIS process has, again, been a missed opportunity to involve stakeholders in the spirit of public-private partnership, which should include a careful analysis of how the public -- and not just the private sector -- stands to benefit significantly from infrastructure improvements that preserve and create jobs in rail, trucking, warehouse, and other industries.
- **Mitigation commitments.** Our agency is eager to see CN's detailed commitments to mitigate anticipated negative impacts, and we believe that the STB's ruling should stipulate that those commitments are binding across at least the 10-year horizon that CMAP

proposes. This is not evident in the draft EIS. CN's mitigation commitments should address real concerns about safety, noise, vibration, and traffic congestion, along with the quality of air, water, and other natural resources. Out of the 112 total at-grade crossings, the draft EIS lists 15 highway/rail at-grade crossing that require mitigation, but it does not specify any mitigation measures. Included in the draft EIS is a statement requesting assistance from agencies with a regional perspective to work with the CN and affected communities to develop shared mitigation measures. Although discussions regarding mitigation between communities and the CN will no doubt move forward, a fully enforceable mitigation plan must take a regional approach to best utilize public and private funds to resolve our most critical issues. CMAP's offer still stands to provide assistance. If I may be more emphatic, this is precisely the type of regional role that the General Assembly created CMAP to fulfill.

The need for a regional voice. Regarding freight, metropolitan Chicago has traditionally not had a champion to look out for the public interest. National discussions and decisions about the movement of goods are dominated by port cities and states, partly because our region has not had a strong voice despite being the nation's hub of truck and rail freight. The Chicago region has a tremendous amount at stake and -- like the proposed EJ&E acquisition -- the movement of freight can have a wide range of potentially positive or negative effects, including economic ones. Freight bottlenecks make it harder for commuters in cars and trains to reach their destinations and harder for companies to get their goods into and out of our region. But if we get it right, freight traffic can serve as a major engine of economic prosperity.

CMAP was created by state law nearly three years ago precisely to fill that leadership function on such regional matters. In particular, freight and goods movement are a regional issue more than a State issue, and this issue is broader and more complex than a simple accumulation of the 283 municipal and seven county governments' individual interests. CMAP exists to take the lead on regional issues like freight, and we plan to be in the middle of this discussion, because the region needs a voice to express the larger public interest.

Conclusion. In summary, we know that there will be economic and transportation benefits as a result of this action, along with local consequences, both positive and negative, to our communities. CMAP is prepared to fulfill its responsibility and provide decision makers -- here and in Washington -- with the best available data and analysis. At this point, the draft EIS falls short of our expectations and we still do not have sufficient information to determine whether this acquisition is in the region's best interest.